



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

# Press Release

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**ATTORNEY GENERAL DARRELL V. MCGRAW SETTLES  
WITH GMAC – COMPANY AGREES TO PROVIDE OVER  
\$32,000 IN CONSUMER RESTITUTION**

Attorney General Darrell V. McGraw, Jr. announced that General Motors Acceptance Corporation (GMAC) has agreed to an out-of-court settlement that will provide over \$32,000 in consumer restitution, plus debt cancellation and other relief. This settlement will dismiss GMAC as a defendant in Attorney General McGraw's lawsuit against Ideal Motors, Inc., a defunct car dealership that was located in Grafton, West Virginia.

Attorney General McGraw sued Ideal Motors, its owners, and several financial institutions in 1998 after his investigations uncovered that Ideal Motors was packing loans it arranged for consumers. Loan packing is the practice of misquoting monthly loan payments in order to add extended warranties, credit life, accident and health insurance and other products to the loan. Of the original 16 defendants named in this lawsuit, all but Ideal Motors, its owners and officers, and two financial institutions—National City Bank of Pennsylvania, and The Huntington National Bank—have entered into settlement agreements with Attorney General McGraw.

This settlement will benefit approximately 20 consumers—all those who purchased a vehicle from Ideal Motors on or after June 15, 1994 and for whom Ideal Motors arranged financing with GMAC. These consumers will receive 100% of the profit Ideal Motors made from the products and additional interest that it packed into their loans plus restitution for other Ideal Motors violations.

Car dealers who arrange financing for consumers often have agreements with banks that allow the dealer to finance a vehicle at a higher interest rate than a consumer might pay if he were financing the car at his local bank. The bank then pays the car dealer all or part of the profit from the higher finance charge. "Consumers should always compare interest rates at different financial institutions before shopping for a new vehicle to avoid this upcharge on interest," warns Attorney General McGraw.

Consumers with questions about the settlement with GMAC should contact Attorney General McGraw's Consumer Protection Division by calling 1-800-368-8808 or 304-558-8986; by writing to Post Office Box 1789, Charleston, WV 25326-1789; or by e-mailing to [consumer@wvnet.edu](mailto:consumer@wvnet.edu). Attorney General McGraw also asks consumers affected by this settlement to contact his Consumer Protection Division and provide their current mailing addresses.

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